

January 2022

VOLUME XIII, ISSUE I

# PEGASUS

A NEWSLETTER FOR THE CAUX ROUND TABLE FOR MORAL CAPITALISM  
NETWORK LOOKING AT BUSINESS ABOVE THE CLUTTER AND CONFETTI



# *Pegasus*

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# Introduction

In this issue of *Pegasus*, Michael Hartoonian, our Associate Editor and a wise teacher of persons for many years now, puts to us many questions as to meaning and purpose in our lives, our cultures, our societies, our economies and our politics. His sense is that we are in a time of transition, a change, perhaps not only of eras, but of epochs. This is a time to reflect on the past, worry about the present and plan for the future.

What, then, is the utility of the Caux Round Table's work at this time?

We also include for your consideration a review of our work during 2021.

As you will read, we sought to make our work helpful in a time of pandemic, of bust-up in almost all our normal patterns of interacting and working, of new ways to work and new facts to ponder and of anxiety.

What we tried to respond to last year, I think, relates to the charge Michael has put to all of us: how should we individually and collectively answer his questions?

Briefly, let me propose that the principles of the Caux Round Table for business, government, civil society and the ownership of wealth provide good guidance to those formulating for themselves answers to Michael's question.

You may find [copies of those principles here](#).

I hope you agree.

*Stephen B. Young*  
*Global Executive Director*  
*Caux Round Table for Moral Capitalism*



# An Open Letter to Educators

Michael Hartoonian

*Human beings can only thrive in community. But that community must be healthy, balanced, fair and equitable, with clear rules acknowledged and observed by all members, no matter what their social status. We need the values and courage to live for ourselves and for others in the right balance. True justice is the expression of honest citizenship living in community. (Caux Round Table Principles for Good Citizenship)*

## An Orientation

Educators must continually address the question: “What knowledge is of most worth?” This is difficult at any time, but today, whether clearly or dimly understood, humans are facing dilemmas, such as diminishing personal agency and government responsibilities; institutional dysfunctions; inability to carry on civil discourse; racism; information overloads; waning interest in truth; crypto currencies; physical disease and mental dis-ease; poverty; and a lack of understanding of democratic principles and civic apathy, just to name a few. All of this makes the task of deciding what content to teach seem impossible. Of course, we know that the question of “knowledge of most worth” is not a new phenomenon in history, but what we are witnessing today suggests an urgency and responsibility unique in the history of the world.

It is the case that every once in a while, a radical break appears in the continuity of time that shakes the foundations of society and its traditional values, declaring those values and joining behaviors irrelevant to the vagaries of the present. Those breaks in time I call the “time between the times” - one of which we are in now and we are trying to decide if we should embrace the historical fracture with all its fears and opportunities or ignore it, even at great peril.

We have seen such localized historical dislocations before. For example, in Japan, when the Tokugawa shogunate (17<sup>th</sup> century) was established by Tokugawa Ieyasu after victory at the Battle of Sekigahara, ending one hundred years of civil wars. We have also seen similar and more extensive kinds of dislocations with the 1917 revolution in Russia, the plagues of the 14<sup>th</sup> century and the advent of nuclear power in the 20<sup>th</sup> century. Change is the constant in human life.



## Cultural Change Writ Large

Minor or linear historic change and value orientations are often related to changes in knowledge and demographics. Major value transformations and breaks in time, however, are related to changes in relationships. These changes are being manifested across the world today as we deal with a killer virus - global coronavirus, a loss of control over our very DNA – the concentration of data and AI in the hands of the few and the very few and a world landscape and economy that are following paths of destruction and injustice.

As an example of a major, global break in time, consider the time in western history at the beginning of the 16<sup>th</sup> century. This period saw the high point of the Renaissance, the birth pangs of the Enlightenment and the start of the modern, global age. Innovative technologies and migration patterns, with their attending pandemics and centralization of wealth and power, began to point Europe and the world in different directions, complete with its old set of questions that suddenly needed answers in a new reality. The different and separate worlds of Europe/Africa/Asia and the Americas started to move together in awkward, yet irresistible patterns, as knowledge, food, dress, government, church and business began to change in form and function, with almost all event horizons still clouded with myopic visions. All of this notwithstanding, the break in history that produced this time between the times was the realization that questions had to be raised about relationships and their attending values, questions such as:

- What is my relationship to God?
- What is my relationship to the state?
- What is my relationship to my mother? Father? Children?
- What is my relationship to Earth (the environment)?
- What is wealth? Knowledge? Justice?
- What is a nation? What is government?
- What is a church? What is a school? What is a family?

When these kinds of relational questions are posed, we can be assured that a philosophical epoch is about to end. Before a break in time, these questions need not be raised, for everyone tacitly knows the answers and raising questions would be seen as heresy, deviant behavior or worse. And now, five hundred years later, that epoch is, indeed, ending and we find ourselves entering a new break in time. The old, yet contemporary relationships that we once created and had with the earth, with the state, with God and with each other and their attending ethical claims have now receded and simply are not working. Our economic well-being is in jeopardy and we don't know why or what to do about it. We watch as our social systems seem to be breaking down. They aren't working, not because the questions, ethical claims or relationships are inappropriate - not at all. The questions must be asked again, but we need to understand that the knowledge needed for their answers is so different from that time five



hundred or even fifty years ago, that a whole new conversation or civic discourse must be started. Educators must have the courage to begin the discussion. That discourse might start with issues of healthcare, energy, immigration, war and jobs, but the conversation and debate must focus on relationships, life's meaning and moral claims. If we can't do that, the world's people will not get through this uncertain time without great hardships. If we can debate and act on these questions in a way that will reclaim our (teachers') moral authority, we will emerge with our principles and lives intact and realize new opportunities. Consider:

- How will we live?
- Where will we live?
- What will be our life's work?
- What is knowledge?
- What is truth?
- What is the highest good of being human?
- What is the proper relationship between the individual and family, God, society and Earth? (understanding that there is a reciprocal duty among all of these)
- What is happiness?

## **A Moral Correction**

These questions are not just philosophical questions that would be nice and interesting to discuss in a classroom, in the media or over Zoom. These are necessary inquiries that will determine our future and your students need and want to address them. But a correction in cultural direction demands that we construct a new generational covenant with both our children and ancestors. This will demand that people are engaged as citizens, understand the tensions in our fundamental democratic values and enlightened enough to debate and alter their cultural path(s).



Since every epoch is characterized by its questions and the ways in which those questions are presented, debated and answered, an epoch ends when no new questions are proposed or when existing questions are treated with contempt because of deficiencies in contemporary knowledge and, in our case, deficiencies in common historical and philosophical wisdom. However, new knowledge is created either from a whole set of new questions or by revisiting old questions with new respect. Those questions, old or new, must satisfy the curiosity of people within the context of their lives and provide them with meaning. The questions above can do that if we can only change our perspective on what is the knowledge of most worth in a republic, as well as in a dynamic world. How should that knowledge be “allocated” to ALL people?

It is not class, race or geography that separates us, so much as it is the unequal distribution of knowledge. To the degree that we cannot diminish ethical and philosophical ignorance in all of us, to that same degree, we will not be able to debate issues and advance policies that question our culture in civil and respectful tones. On the other hand, if we can understand our identity as citizens and work accordingly, we will champion ethics and the values and arguments that define the moral essence of our several communities.

So, here we are at the beginning of 2022, a time between the times, and our most important work, right now, is to debate and act on what of our culture we should throw away, what we should keep and what we should build anew. This work, by the way, is also appropriate and applicable to our personal lives. The task is not about absolving ourselves of history, but to understand the veracity of the past, knowing that the opposite of one profound truth is another profound truth. We know, for example, that without having underlying moral and intellectual virtue in place, there is no freedom, except for the few and the powerful. We know that the market economy, including the stock market, demands personal or self-control, government guidance and disciplined debates. Governments, like the individuals within them who serve us, can lose their moral compass, without which there is little hope of creating wealth, justice or knowledge. Without enlightened debate, governments and individuals shrink within the myopic view of self-interest, devoid of any understanding of the relationships between self-interest and the common good. When “self” takes precedence over the larger interests of the community, the idiotic notions of self-esteem notwithstanding, we dissolve the generational covenant with our parents and children, leaving us to walk the land innocent of purpose. Yes, there is contested truth in values such as honor, piety, freedom, equality, right and good, but that truth can be found in the openness of debate, in the civility of relationships and in high purpose. It takes work and the submission of self to achieve this knowledge, but it is justified in the realization that something great awaits us and that thing is the recovery of meaning in learning and in life.

So, what can be done? What and how should we learn as we enter the time between the times? Well, we can look at all the institutions to which we belong and begin to put those institutions on a better footing.

What seems clear today is that there is a need for understanding reciprocal duty among institutions, governments and among people. This reciprocal duty is best understood in the tensions of common questions that all people, institutions and governments face:



- How do we understand (our) multidimensional identity?
- How can we create wealth within institutions and nations?
- How can we reconcile local and global cultures creating a unity of purpose with a diversity of meaning?
- How can we maintain civility within the framework of contested truths?
- How can we democratically govern our institutions, states and our passions?

In order to debate the contested truth imbedded in these questions, we must be able to critique the content of the cultural heritage and practice the skills and dispositions to study, debate and understand that scholarship, like citizenship, is a team sport that demands a community where the identities of citizen and scholar are respected more than the identities of affluence or celebrity. Citizens must continually rethink the curriculum of their institution. They are always in a debate – a debate that will determine the continuation of the experiment of whether people can govern themselves with a healthy degree of justice, discipline and love – a debate to determine if we can travel earth’s landscape with sensitive eyes that behold the fullness of what it means to be human.

*Michael Hartoonian is Associate Editor of Pegasus.*



# 2021 Year in Review

## Introduction

The most important work of the Caux Round Table in 2021 began accidentally in late 2018. While working with a local imam here in Minnesota, we became aware of certain covenants with Christian communities made by the Prophet Muhammad during his ministry. In these covenants, the Prophet used what we would call the “moral sense,” inherent in all persons, to offer those Christian communities respect and protection. Since these covenants seemed to validate the foundational ideals of both moral capitalism and moral government – concern for others and faithful stewardship in our personal and official uses of power – and since both distinguished Muslim scholars and Christian intellectuals were part of our network, the Caux Round Table decided to lend its good offices to a study project seeking to learn more about these covenants of the Prophet.

In February, 2021, we released a report on the covenants explaining their history, analyzing their provisions and commenting on their relevance to today’s global community. We were extremely honored to receive a note of warm thanks from Pope Francis for this collaborative, scholarly undertaking. You may read the report here: [Founding Principles For Modern Imperatives The Overlooked Covenants Of The Prophet Muhammad](#)

During 2021, a small group drafted a proposed community compact to apply the interfaith precedent of the covenants of the Prophet to today’s Christian and Muslim congregations. That draft has encouraged Christian and Muslim leaders to reach out to each other in Iraq and Lebanon.

Our drafting group also shared suggested language based on the spirit of the covenants of the Prophet, as reflected in harmonious passages from Qur’anic and Biblical scripture with the offices of Pope Francis and the Grand Ayatollah Sistani prior to the Pope’s visit with the Grand Ayatollah in Najaf, Iraq.

Our response to the conditions of the pandemic was twofold: first, to use internet technology to bring people together in dialogue remotely over Zoom protocols and secondly, to double-down on the importance of ideas as change-makers. When anxiety and uncertainty unsettle our hopes and plans, good thinking is needed as the most important pre-condition for taking successful action and inspiring leadership. We perceived that good thinking seems to solidify moral resolve and so contributes to courage and the assumption of personal responsibility, without which there can be no leadership. I was often reminded keeping up with the news and listening to our round table discussions of the sound advice given in the Biblical book of Proverbs: “Where there is no vision, the people perish.” (Proverbs 29:18)

With distractions arising from the pandemic, we were not able to convene a Global Dialogue in 2021, nor were we able to make a Dayton Award for distinctive leadership in moral capitalism in Minnesota.

Given the cultural tensions over the continuing alienation of many African Americans from middle class wealth and educational achievement in the U.S., the Caux Round Table proposed taking a new approach to the economic “elevation” of some 56% of Americans of African descent, about 4% of the entire population, who make do as best they can with incomes and wealth below middle class expectations. The Caux Round Table recommended a focus on social and human capital formation and accumulation within the African American community with new concern for families, early childhood education and improvement in public schooling. Our recommendations were published in the June issue of our newsletter, Pegasus.

Also in the U.S., in response to concerns for ineffective and, at times, dysfunctional policing with respect to African Americans and their inner cities communities, the Caux Round Table brought forth in Minnesota the fundamental ideal of its ethical principle for moral government – that a public office is a public trust. We convened a workshop with law enforcement and community leaders to consider the better integration of policing and community values around such standards as trustworthiness, respect, responsibility and personal integrity.

### **For-profit Proposal**

The pandemic caused difficulties in executing the existing business model of the Caux Round Table – the focus of our work on in-person round tables to develop new understandings of the integration of moral concern with the economic side of capitalism and the authoritarian nature of government. We also perceived a turning point in history with our contemporary era being one of transition from a post-World War II order of de-colonization, modernization of traditional societies, the growth of an interconnected world with the internationalization of manufacturing, trade and finance to something qualitatively different, but, as yet, ill-defined and unstructured.

We witnessed elite failures, the rise of populist nationalisms, the fragmenting of comity and relevance of international organizations and a growing lack of trust in institutions and leaders.

As one of our advisers succinctly put it: “Everyone senses that we are at the end of an era. No one knows exactly what is coming, so they do today only what they did yesterday.”

In looking at new options and directions, we have started to explore adding an educational capacity to our work. We are thinking of offering online certificates in moral capitalism and moral government, short modules of about 15 minutes each, posted on a special website, along with readings and examinations, which can be aggregated into a curriculum suitable for the award of a certificate of educational achievement.

## **Special Initiatives**

During 2021, to adapt to the distance learning modalities of the Covid pandemic, the Caux Round Table initiated a number of special projects.

### **Covenants of the Prophet Muhammad with Christian Communities**

The Caux Round Table published a report in February 2021 on the covenants, given in his lifetime, by the Prophet Muhammad to respect and protect specific Christian communities.

### **Code of Ethics for Social Media**

The Caux Round Table proposed application of its principles to dysfunctional sectors of American society by proposing codes of ethics for those who are empowered to use social media, serve as teachers in public schools and work as journalists for media businesses.

Social media seems to have evolved into an unseemly and unhealthy concatenation of uncensored emotions, disparagements, narcissistic meanness, unnuanced accusations and alleged misinformation and disinformation. Some call for regulation of social media content by the private sector platforms which provide it to users. But the power unleashed by social media is, in fact, not exercised by the platforms such as Facebook, Twitter and TikTok, but by individual users. Should they not be held accountable for what they say and post? Should not ethics apply to their choices of how to use social media?

### **Code of Ethics for Teachers**

In the U.S., efforts to change going forward past dynamics of marginalization and ostracism of African Americans justified by prejudicial racial stereotyping have brought higher use of racism, this time stereotyping white-skinned Americans, into schools in application of an ideology called critical race theory. Such teaching raises the ethical question of what are the duties of teachers? Those who are hired by the government to teach in public schools hold offices of public trust. As trustees for their students, are not teachers under a fiduciary obligation not to impose their personal values and preferences on students?

To focus attention on the responsibilities of public school teachers, the Caux Round Table drafted a proposed code of ethics for teachers.

### **Code of Ethics for Journalists**

Fourth and also in the U.S., media companies have evolved away from journalism as a profession to entertainment as a profitable business. Newspapers like the New York Times and Washington Post and television channels like Fox and CNN “play” to segmented audiences. To build audience appeal and so increase their revenues from subscriptions or

advertising, media companies are less and less objective and more and more biased, using appeals to emotions and prejudices to attract the attention and loyalty of readers and viewers.

Thus, media companies have newly brought themselves within the decision-making purview of business ethics. A code of ethics different from the old codes applicable to professional journalists is now necessary. The Caux Round Table has stepped up to suggest just such a code.

### **Code of Ethics for Artificial Intelligence**

Also in 2021, as interest in commercialization of artificial intelligence grew and its possible misuse by governments became a concern, the Caux Round Table drafted a code of ethics for those who use such programs.

### **Networking Leadership Breakfasts in St. Paul**

In an application of Caux Round Table's new approach to wealth creation emphasizing social and human capitals, we obtained a grant for a pilot project in St. Paul, Minnesota to revive regular, informal networking breakfasts for prominent stakeholders in business, neighborhoods, politics, ethnic communities, charities, religious communities and the arts. We believe that intentionally stimulating networking will improve social capital stocks in the city, as stakeholders come to trust one another, more and more. Improved social capital stocks will contribute to better governance and more economic development. Vibrant social capital will, we believe, accelerate enhancement of human capital, individual by individual. Individuals, then, will be more willing and able to build additional social capital in a virtuous cycle of improvement in community well-being.

### ***Pegasus***

We published 12 issues of our monthly newsletter, *Pegasus*, in 2021.

The essays addressed current economic and social concerns linked to a deeper intellectual context and broader cultural perspectives. The articles served and continue to function as discussion starters among citizens, information reservoirs to be used in building personal and institutional rationales and moral criteria for evaluating institutional and personal behavior in the process of creating wealth (excellence).

In the teeth of the pandemic, *Pegasus* tackled issues of how different questions from science, literature and philosophy might be used in calculating wealth assets and their valuations. And, of course, the largest issues of the year – truth – was addressed, as well as the fear that our institutions were atrophying. Our December issue was particularly insightful, as it captured the moral depth of first graders, as they expressed gratitude in both pictures and words – from the mouth of babes.

Here's a selection of readers' favorites:

- From the January issue, these two pieces on the pandemic, including reflections from our fellows, stood out:
  - “Pandemics: The Stakeholders’ Dilemma” by Richard Broderick
  - “Quo Vadis, World?” by Richard Broderick
- The entire April edition was on the issue of entropy:
  - “An Important Advantage of Ethics: Optimizing Entropy in the Self-System” by Stephen B. Young
  - “QAnon, One of Entropy’s Political Faces” by Rich Broderick
  - “On Entropy: The Second Law of Thermodynamics – Application for the Good Life” by Michael Hartoonian
- The June issue addressed historical economic inequities:
  - “A Caux Round Table Proposal: Addressing an Historic Disparity in Accessing Capital Assets” by Stephen B. Young
- The November edition was devoted to truth:
  - “An Epistemology of Truth” by Michael Hartoonian
  - “Company Truth” by Stephen B. Young
  - “The Genealogy of Truth” by Stephen B. Young
  - “Opioids and Truth” by Stephen B. Young
  - “Self-truth: Real or Imagined?” by Stephen B. Young

\*\*\* All the issues from the year [can be found here](#).

## **Zoom and In-person Round Tables**

We held a number of Zoom and in-person round table events throughout the year, including:

- Strength of Our Constitutional Republic (Zoom)
- Covenants of the Prophet Muhammad with Christian Communities (Zoom)
- American Crisis (Zoom)
- The Coronavirus: One Year On (in-person)
- High Tech and Moral Capitalism (Zoom)
- Infrastructure: A Public Good or Private Good? (in-person)
- How Can the Caux Round Table Principles Help Solve Global Warming? (in-person)



- How Deleterious for Social and Human Capitals is Social Media? (in-person)
- Are Journalists Responsible for Telling the Truth? (in-person)
- Brad DeVos of the American Institute for Economic Research (Zoom)
- Klaus Leisinger on his new book, *Integrity in Business and Society* (Zoom)
- Program on community policing (in-person)

## **Books**

We published a book, [Integrity in Business and Society](#), by our colleague, Klaus Leisinger, and put together another book on the American crisis, which will be published in 2022.

## **Fellows of the Caux Round Table**

The Fellows of the Caux Round Table play a most important role in the intellectual health of the think tank. They provide substance and direction, without which, we would be rudderless in a sea made turbulent by the vagaries of political popularity. Understanding, reconciling and balancing conflicting ideals of life, democracy and moral capitalism are the joys and work of the Fellows and their contributions to the content of the Caux Round Table are beyond measure.

We held quarterly round tables via Zoom with the Fellows.

## **New Fellows Appointed**

Several new Fellows were appointed throughout the year, including Mary Gentile, Creator/ Director of Giving Voice to Values and the Richard M. Waitzer Bicentennial Professor of Ethics at the University of Virginia Darden School of Business; Richard Bents, Partner at Future Systems Consulting, Inc.; Matt Bostrom, President of the Center for Values-Based Initiatives and former Sheriff of Ramsey County, Minnesota, the state's second most populous county; Anil Sakya, Honorary Rector of the World Buddhist University in Bangkok, Thailand; and John Dalla Costa, Founding Director of the Centre for Ethical Orientation.

The complete list of Fellows can be found below.

## **Email Notices**

Email notices on relevant and timely topics were sent out two to three times a week throughout the year.

## **Website and Social Media**

Our website received tens of thousands of hits throughout the year. Our Twitter and Facebook pages were updated, on average, 5 to 10 ten times a week and we released

several videos on YouTube every month. We have 159 videos currently which, combined, have thousands of views.

## **Networking**

We developed relationships with congenial groups as a way to reach new audiences with our work. Those organizations included the American Institute for Economic Research, State Policy Network, Atlas Network, Council for Inclusive Capitalism and Impact Economy Foundation.

## **Leadership**

### **Board of Directors:**

Brad Anderson, Chairman – United States  
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Doran Hunter – United States  
Mark Ritchie – United States  
Steve Young – United States

### **Advisory Council:**

Brian Atwood – United States  
Daniel Brennan – United Kingdom  
Karel Noordzy – The Netherlands  
Anand Panyarachun – Thailand  
Noel Purcell – Australia  
Heribert Schmitz – Germany  
Frank Straub – Germany  
Herman Wijffels – The Netherlands  
Domingo Sugranyes Bickel – Spain

### **Senior Fellows:**

Ronald Baukol – United States  
Kevin Cashman – United States  
Morihsa Kaneko – Japan  
Bob MacGregor – United States  
Fred Senn – United States

### **Fellows:**

Abdullah Al-Ahsan - Malaysia  
Michael Bates – United Kingdom  
Richard Bents – United States  
Matt Bostrom – United States  
Yury Blagov – Russia  
Isabella Bunn – United Kingdom  
John Dalla Costa – Italy  
Jose Luis Fernandez Fernandez – Spain  
Mary Gentile – United States  
Michael Hartoonian – United States  
Arkady Izvekov – Russia  
Stephen Jordan – United States  
John Knapp – United States  
Michael Labrosse – United States  
Alexandra Lajoux – United States  
Baocheng Liu – China  
Alistair Macdonald Radcliff – United Kingdom  
Ibrahim Mohamed Zain – Malaysia  
Lester Myers – United States  
Chris Pierce – United Kingdom  
Steven Pyser – United States  
Anil Sakya – Thailand  
Robert Scarlett – United States  
Recep Senturk – Turkey  
Kazuhiko Togo – Japan  
Gaurav Vashist – United States  
Eraj Weerasinghe – United States

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Jed Ipsen, Associate Director – United States

Patrick Rhone, Director, Technical and Internet Support – United States

Michael Hartoonian, Associate Editor – United States

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